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Financing of the United Nations Interim Administration Mission in Kosovo

Budget performance for the period from 1 July 2016 to 30 June 2017 and proposed budget for the period from 1 July 2018 to 30 June 2019 of the United Nations Interim Administration Mission in Kosovo

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2016/17	$36,486,900
Expenditure for 2016/17	$34,783,100
Unencumbered balance for 2016/17	$1,703,800
Appropriation for 2017/18	$37,898,200
Projected expenditure for 2017/18[a]	$36,520,800
Projected underexpenditure for 2017/18	$1,377,400
Proposal submitted by the Secretary-General for 2018/19	$37,920,400
Adjustment recommended by the Advisory Committee for 2018/19	($727,700)
Recommendation of the Advisory Committee for 2018/19	$37,192,700

[a] Estimates as at 31 January 2018.

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I. Introduction

1. During its consideration of the financing of the United Nations Interim Administration Mission in Kosovo (UNMIK), the Advisory Committee on Administrative and Budgetary Questions met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 26 March 2018. The documents reviewed and those used for background by the Advisory Committee are listed at the end of the present report. The comments and recommendations of the Committee on cross-cutting issues related to peacekeeping operations, including those pertaining to the findings and recommendations of the Board of Auditors on the United Nations peacekeeping operations for the period from 1 July 2016 to 30 June 2017, can be found in its related report (A/72/789). The main observations and recommendations of the Board pertaining specifically to UNMIK are discussed in paragraph 5 below.

II. Budget performance for the period from 1 July 2016 to 30 June 2017

2. By its resolution 70/277, the General Assembly appropriated an amount of $36,486,900 gross ($32,904,600 net) for the maintenance of UNMIK for the period from 1 July 2016 to 30 June 2017. Expenditures for the period totalled $34,783,100 gross ($31,283,700 net), reflecting a budget implementation rate of 95.3 per cent. The resulting unencumbered balance of $1,703,800 in gross terms represents 4.7 per cent of the appropriation, reflecting the combined effect of lower-than- budgeted expenditures under: (a) military and police personnel ($221,800, or 31.7 per cent); (b) civilian personnel ($1,257,700, or 4.6 per cent); and (c) operational costs ($224,300, or 2.7 per cent). A detailed analysis of variances is provided in section IV of the report of the Secretary-General on the budget performance of the Mission for the period from 1 July 2016 to 30 June 2017 (A/72/622).

3. In the budget performance report, it is indicated that during the 2016/17 period, redeployments across groups of expenditures were not required. The comments of the Advisory Committee on the information presented in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period from 1 July 2018 to 30 June 2019 (see A/72/718) in section IV below.

4. In the report, it is indicated that in terms of mission support initiatives, the Mission constructed office and warehouse facilities. In addition, the network and major information and communications technology applications were centralized into data centres at the United Nations Logistics Base at Brindisi, Italy (A/72/622, paras. 20 and 22).

5. The Mission also completed the installation of a solar energy system in August 2017 in the Mission headquarters in Pristina and low-consumption external lighting systems on all premises to increase the proportion of renewable energy. UNMIK continued to make progress in the area of waste management with collection, recycling and planting initiatives to limit carbon dioxide generation and polluting emissions (ibid., para. 21).

6. In considering the reports of the Secretary-General on the financing of UNMIK, the Advisory Committee also had before it the report of the Board of Auditors on the accounts of the United Nations peacekeeping operations for the financial period ended 30 June 2017 (A/72/5 (Vol. II), chap. II). In its report, the Board made observations and recommendations pertaining to the Mission on the following matters: (a) the

compliance rate of international staff travel (ibid., para. 326); and (b) insurance liability coverage in respect of fuel supply agreements (ibid., paras. 389–393). The Board of Auditors also noted the chronic cash-strapped status of UNMIK, pointing out that the Mission had had to borrow from closed peacekeeping missions during the 2016/17 budget period and that the amount owing as at 30 June 2017 stood at $21.3 million (ibid., chap. IV.E, para. 42; see also para. 8 below). **The Advisory Committee trusts that the recommendations of the Board of Auditors will be implemented expeditiously.**

III. Information on performance for the current period

7. With respect to current and projected expenditures for the period from 1 July 2017 to 30 June 2018, the Advisory Committee was informed that, as at 31 January 2018, expenditures were projected at $21,530,900. At the end of the current financial period, the estimated total expenditures would amount to $36,520,800, leaving a projected unencumbered balance of $1,377,400 (3.6 per cent) of the approved budget.

8. The Advisory Committee was provided with the following information on the incumbency of 373 military and civilian personnel as at 31 January 2018:

Category of personnel	*Posts authorized/ approved 2017/18[a]*	*Posts encumbered*	*Vacancy rate (percentage)*
Military and police personnel			
Military observers	8	8	–
Military contingent personnel	–	–	–
United Nations police	10	10	–
Formed police unit personnel	–	–	–
Civilian personnel			
Posts			
International staff	112	98	12.5
National Professional Officers	33	32	3.0
National General Service staff	186	184	1.1
General temporary assistance			
International staff	–	–	–
National Professional Officers	–	–	–
National General Service staff	–	–	–
United Nations Volunteers	24	22	8.3
Government-provided personnel	–	–	–

[a] Represents the highest authorized strength for military and police personnel and the number of approved posts for civilian personnel.

9. The Advisory Committee was informed that, as at 13 February 2018, a total of $3,418,924,000 had been assessed on Member States in respect of the Mission since its inception. Payments received as at the same date amounted to $3,388,115,000, leaving an outstanding balance of $30,809,000. As at 12 February 2018, the cash available to the Mission amounted to $5,317,000, which is insufficient to cover the three-month operating reserve of $9,475,000 (excluding reimbursements to troop- and police-contributing countries). **The Advisory Committee reiterates its concern that the cash position of the Mission does not cover the three-month operating cash reserve (see A/71/836/Add.4, para. 11). The Committee recalls that the General**

Assembly has repeatedly urged all Member States to fulfil their financial obligations as set out in the Charter of the United Nations on time, in full and without conditions (see, for example, Assembly resolution 71/303, para. 3).

10. The Advisory Committee was also informed that with regard to death and disability compensation, as at 31 January 2018, an amount of $939,000 had been paid to settle 25 claims since the inception of the Mission; payment for 2 claims was pending. **The Advisory Committee trusts that the outstanding claims will be settled expeditiously.**

IV. Proposed budget for the period from 1 July 2018 to 30 June 2019

A. Mandate and planned assumptions

11. The mandate of UNMIK was established by the Security Council in its resolution 1244 (1999). The Secretary-General indicates that the strategic objective of the Mission remains to strengthen and consolidate peace, security, the rule of law and stability in Kosovo and the region. The main priorities and planning assumptions of the Mission for the 2018/19 period are summarized in paragraphs 6 to 15 of the report of the Secretary-General (A/72/718). During the budget period, the Mission will continue to implement projects relating to confidence-building measures and programmatic activities, implement the supply chain management initiative and undertake actions that will help to mitigate the environmental impact of its operations.

B. Resource requirements

12. The proposed budget for UNMIK for the period from 1 July 2018 to 30 June 2019 amounts to $37,920,400, representing an increase of $22,200, or 0.1 per cent, compared with the appropriation for 2017/18. This reflects the combined effect of proposed increases under military and police personnel ($68,100, or 9.8 per cent) and civilian personnel ($528,800, or 1.9 per cent), offset in part by proposed decreases under operational costs ($574,700, or 6.4 per cent). Detailed information on the financial resources proposed and an analysis of variances are provided in sections II and III of the proposed budget (ibid.).

1. Military and police personnel

Category	*Approved 2017/18*[a]	*Proposed 2018/19*	*Variance*
Military observers	8	8	–
United Nations police	10	10	–

[a] Represents the highest approved strength for the period.

13. The proposed resources for military and police personnel for 2018/19 amount to $763,800, reflecting an increase of $68,100, or 9.8 per cent, compared with the appropriation for 2017/18. The increase is mostly due to the variation in the euro to United States dollar exchange rate between the budget period and the current period.

14. **The Advisory Committee recommends approval of the Secretary-General's proposals for military and police personnel.**

2. Civilian personnel

Category	*Approved 2017/18*	*Proposed 2018/19*	*Variance*
Posts			
International staff	112	112	–
National Professional Officers	33	33	–
National General Service staff	186	186	–
Temporary positions[a]			
International staff	–	–	–
United Nations Volunteers	24	24	–
Government-provided personnel	–	–	–
Total	**355**	**355**	**–**

[a] Funded under general temporary assistance.

15. The proposed resources for civilian personnel for 2018/19 amount to $28,747,500, reflecting an increase of $528,800, or 1.9 per cent, compared with the appropriation for 2017/18. The Secretary-General indicates in his report that the increase is attributable mainly to increased requirements under national staff ($893,000, or 10.7 per cent per cent) owing to changes in the euro to United States dollar exchange rate. The increased requirements would be offset in part by decreases in: (a) international staff ($292,900, or 1.5 per cent), owing to changes in salary rates and allowances; and (b) United Nations Volunteers ($71,300, or 7.8 per cent), owing mainly to the lower number of repatriations and home leaves anticipated in the 2018/19 period and changes in the living allowance.

Vacancy rates

16. The proposal includes vacancy rates, set out in section II.D of the budget document (A/72/718), as follows: 6.0 per cent for international staff; 3.0 per cent for National Professional Officers; 1.0 per cent for national General Service staff and 11.0 per cent for United Nations Volunteers. The Advisory Committee was provided with additional information relating to the budgeted vacancy rate for the 2017/18 period and the actual average rates, as well as the actual rate as at 31 January 2018. With respect to the category of international staff, the Committee notes that the actual average vacancy rate for the period from 1 July 2017 to 30 June 2018 and the actual rate as at January 2018 was 12.5 per cent. **Taking into account the vacancy rates experienced during the** 2017/18 **period, the Advisory Committee recommends a vacancy rate of 10 per cent to be applied to the cost estimates for international staff for the 2018/19 period.**

17. On a related matter, the Advisory Committee was informed[1], upon enquiry, that the recruitment of three posts (one P-5 Senior Judicial Affairs Officer, one P-3 Judicial Affairs Officer and one GL-6 Field Security Assistant) had been placed "on hold" as at 31 January 2018. The Committee did not receive an adequate explanation as to the reason for the posts being placed on hold and expects that the Secretary-General will provide additional information to the General Assembly at the time of its consideration of the budget proposal for the 2018/19 period. **The Advisory Committee reiterates its expectation that all vacant posts and positions will be filled expeditiously (see A/71/836/Add.4, para. 24).**

Recommendations on posts and positions

18. A total of 355 civilian posts and positions are proposed for 2018/19, comprising 112 international posts, 219 national staff posts and 24 United Nations Volunteers. The 2018/19 staffing proposals reflect no changes to posts and positions compared with the approved posts and positions for 2017/18.

19. **Subject to its observations and recommendation in paragraph 16 above, the Advisory Committee recommends the approval of the Secretary-General's proposals for civilian staff. Any related operational costs should be adjusted as appropriate.**

3. Operational costs

(United States dollars)

	Apportioned 2017/18	*Proposed 2018/19*	*Variance*
Operational costs	8 983 800	8 409 100	(574 700)

20. The proposed resources for operational costs for 2018/19 amount to $8,409,100, reflecting a decrease of $574,700, or 6.4 per cent, compared with the appropriation for 2017/18. The Secretary-General proposes decreases under most classes of expenditure, including consultants ($55,400, or 57.8 per cent), facilities and infrastructure ($217,300, or 7.4 per cent), ground transportation ($36,500, or 12.5 per cent), communications and information technology ($218,400, or 8.9 per cent) and other supplies, services and equipment ($62,800, or 2.2 per cent). The decreased requirements would be offset in part by increases in official travel ($11,100, or 3.8 per cent) and medical expenses ($4,600, or 8.0 per cent).

21. **Subject to the recommendation contained in paragraph 19 above, the Advisory Committee recommends approval of the Secretary-General's proposals for operational costs.**

4. Other matters

Environmental initiatives

22. Information on the environmental initiatives to be undertaken by UNMIK are provided in paragraphs 15 and 27 of the report of the Secretary-General (A/72/718). UNMIK will continue its efforts in recycling, composting of biodegradable waste and tree-planting to further reduce its environmental impact as well as implement the mission-wide environmental action plan (ibid, para.15). The Mission will install solar energy systems in three United Nations repeater sites within the mission area by 30 June 2019. Upon enquiry, the Advisory Committee was informed that actual savings in the amount of $13,127 resulted from the installation of solar panels from August 2017 to January 2018. The Committee was also provided with information on the expected efficiencies from the planned solar panel installation. **The Advisory Committee acknowledges the Mission's continued efforts to mitigate the environmental impact of its presence.** The Committee comments further on this matter in its report on cross-cutting issues (A/72/789).

Programmatic activities and confidence-building projects

23. The Secretary-General indicates in his report that the resource requirements for 13 programmatic projects amount to $1,987,000 (A/72/718, paras. 35–36), in addition to 18 confidence-building projects (ibid., paras. 33–34) in the amount of $389,600. Upon request, the Advisory Committee was provided with details of the projects and

additional clarification as to the nature of the planned programmatic activities and confidence-building projects. **The Advisory Committee is of the view that in order to ensure clarity and transparency in terms of the nature of the activities, the funding requirements and implementing partners, clearer distinction between programmatic activities and confidence-building projects is necessary**.

24. In terms of determining the level of resources for confidence-building projects, the Advisory Committee was informed, upon request, that in its resolution 67/276, the General Assembly decided "as an ad hoc measure for the Mission, to approve the amount of $425,000 for the purpose of implementing confidence-building projects aimed at promoting reconciliation among communities", and as the amount represented approximately 1 per cent of the proposed budget for the 2013/14 period, the Mission has since proposed the equivalent level of allocation of resources for confidence-building projects. **The Committee notes that the allocation of resources for confidence-building projects at 1 per cent of the proposed budget is based on past experience in UNMIK**. The Advisory Committee comments further on the matter of programmatic activities in its report on cross-cutting issues related to peacekeeping operations (A/72/789).

Vehicles

25. The Advisory Committee indicated in its previous report on UNMIK that the Mission had made efforts to adjust the number of vehicles to the projected requirements for each personnel category within the limits of the standard ratios (A/71/836/Add.4, para. 30). The Committee recalls its previous recommendation that similar efforts should be undertaken across all other peacekeeping missions. Further comments on this matter are contained in the Committee's report on cross-cutting issues related to peacekeeping operations (A/72/789).

V. Conclusion

26. The actions to be taken by the General Assembly in connection with the financing of UNMIK for the period from 1 July 2016 to 30 June 2017 are indicated in section V of the budget performance report (A/72/622). **The Advisory Committee recommends that the unencumbered balance of $1,703,800 for the period from 1 July 2016 to 30 June 2017, as well as other income/adjustments amounting to $179,500 for the period ended 30 June 2017, be credited to Member States**.

27. The actions to be taken by the General Assembly in connection with the financing of UNMIK for the period from 1 July 2018 to 30 June 2019 are indicated in section IV of the proposed budget (A/72/718). **Taking into account its recommendations in paragraphs 16, 19 and 21 above, the Advisory Committee recommends that the proposed resources be reduced by $727,700, from $37,920,400 to $37,192,700. Accordingly, the Committee recommends that the General Assembly appropriate the amount of $37,192,700 for the maintenance of the Mission for the 12-month period from 1 July 2018 to 30 June 2019**.

Documentation

- Report of the Secretary-General on the budget performance of the United Nations Interim Administration Mission in Kosovo for the period from 1 July 2016 to 30 June 2017 (A/72/622)
- Report of the Secretary-General on the budget for the United Nations Interim Administration Mission in Kosovo for the period from 1 July 2018 to 30 June 2019 (A/72/718)
- Report of the Board of Auditors on United Nations peacekeeping operations for the 12-month period from 1 July 2016 to 30 June 2017 (A/72/5 (Vol. II), chap. II and chap. IV)
- Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the financial period ended 30 June 2017 (A/72/756)
- Report of the Secretary-General on the overview of the financing of United Nations peacekeeping operations: budget performance for the period from 1 July 2016 to 30 June 2017 and budget for the period from 1 July 2018 to 30 June 2019 (A/72/770)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the budget performance for the period from 1 July 2015 to 30 June 2016 and proposed budget for the period from 1 July 2017 to 30 June 2018 of the United Nations Interim Administration Mission in Kosovo (A/71/836/Add.4)
- General Assembly resolution 71/303 on the financing of the United Nations Interim Administration Mission in Kosovo
- Security Council resolution 1244 (1999)